

Central Intelligence Agency

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Washington, D.C. 20505

OLL85-1199/2

13 MAY 1985

Mr. James M. Frey
Assistant Director for Legislative Reference
Office of Management and Budget
Washington, D.C. 20503

Dear Mr. Frey:

This is in response to your request for the Agency's views on the Office of Personnel Management's draft bill to amend Section 207(a) of the Ethics in Government Act of 1978 to provide a short-form confidential disclosure system for non-public filers. While the Agency does not object to legislation which would clarify the statutory authority for requiring confidential financial reports for non-public filers, we believe that any statute in this regard should not substantially change the present confidential disclosure provisions which have been established pursuant to Executive Order 11222 and contained in 5 CFR 735.

We understand that the present Office of Personnel Management (OPM) proposal is intended to address the ambiguous effect of Section 207(a) of the Ethics Act on employees who are presently required to file confidential reports pursuant to Executive Order 11222. While we understand the need to clarify statutory authority in this area, we believe that the present reporting standards and Agency duties and responsibilities contained in Part IV of Executive Order 11222 and 5 CFR 735 should be retained. As you may know, the Agency has implemented Executive Order 11222 and established an Agency ethics program which reflects the standards set forth in this Order with respect to confidential financial reporting by certain Agency employees (GS-13 to GS-15 and certain other employees). This program has been in place for a number of years and, in our opinion, has been effective in ensuring that individuals not required to file by the 1978 Ethics Act are subject to a comprehensive reporting system which identifies potential conflicts of interest. The Office of Government Ethics (OGE) has reviewed the Agency reporting program for non-public filers and similarly concluded that the Agency has in place an adequate system for dealing with conflicts of interest. Given the Agency's success with an established confidential reporting system for its GS-13 to GS-15 and other selected employees, the Agency would prefer that the present substantive standards for

reporting contained in E.O. 11222 and 5 CFR 735 be retained, and that the intent to retain these standards be referenced in the legislative history of the statute. We would have no objection, of course, to OGE having the authority to enforce basic reporting standards with respect to an agency that is either unwilling or unable to do so.

We appreciate the opportunity to comment on the proposed bill, and [] of my office is available to further discuss this matter with members of your staff.

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Sincerely,

/s/Charles A. Briggs

Charles A. Briggs
Director, Office of Legislative Liaison

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